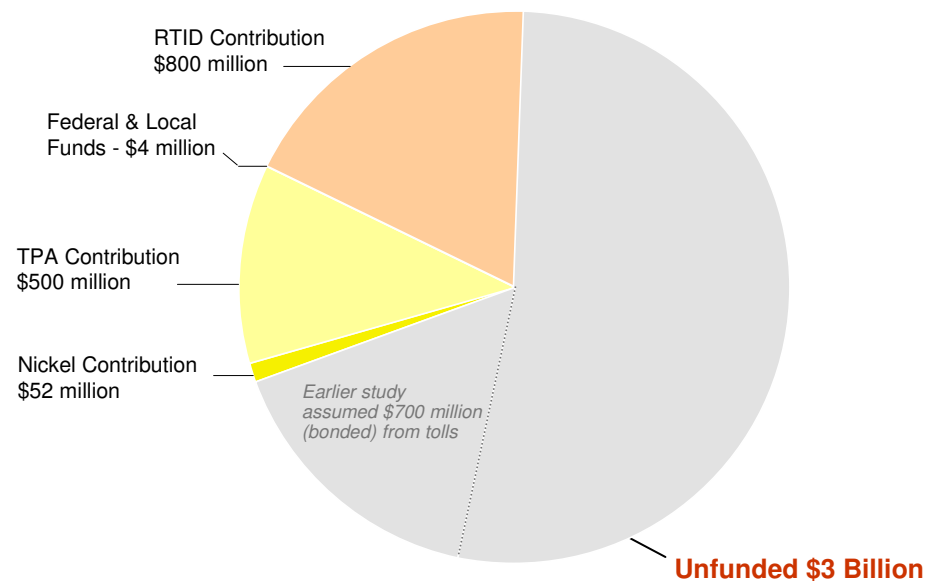


SR 520 Bridge toll-finance scenarios

Project Funding \$4.38 Billion (Most Likely Cost)



Assumes 6-lane alternative, Pacific interchange option, and pontoons expandable for high capacity transit.

All scenarios assume that O & M and major preservation will be paid from tolls and all rely on 2004 SR 520 Toll Study that needs to be updated.

To fully fund the gray gap with SR 520 toll revenues, the required toll rates are *too high* – even with concession financing:

50-Year Concession Model (PPP Financing)

About **\$10.00** avg. round trip toll when bridge opens in 2015. Tolls assumed to increase by CPI. Peak period tolls likely higher, off-peak lower

Private Infrastructure Investor believes toll rates may be too high for the project to be self supporting based on tolling SR 520 alone.

75-Year Concession Model (PPP Financing)

About **\$8.50** avg. round trip toll when bridge opens in 2015 (assuming toll collections begin when construction begins) Assumed total revenue growth at 8% per year, a combination of traffic and toll rate increases. Peak period tolls likely higher, off-peak lower

Investment Banking Firm believes it is highly unlikely that the funding gap could be filled by tolling SR 520 alone.

30-Year Public Finance Model (Traditional Public Finance)

About **\$16.00** avg. round trip toll if and when bridge open in 2015 Tolls assumed to increase by CPI Peak period tolls likely higher, off-peak lower

WSDOT believes this is not realistic.

***Toll rate conversion:** all tolls are expressed in year of opening (late 2014) dollars. Equivalencies: \$7 toll in 2014 = \$5.75 in today's dollars. 1

A “reasonable” average starting toll of \$7.00, increased annually with inflation, still leaves a funding gap of \$1.6 to \$2.0 billion:

TOLLING SR 520 ONLY	30-Year Scenarios		40-Year Scenarios	
	Tolling After Completion (2014)		Tolling After Completion (2014)	
	Project Revenue Bonds	State MVF Backed Bonds	Project Revenue Bonds	State MVF Backed Bonds
Construction Funds Delivered	\$960 m	\$1,084 m	\$1,227 m	\$1,370 m
Remaining Funding Gap (\$000s):	\$2,040 m	\$1,916 m	\$1,773 m	\$1,630 m
Average Round Trip Toll (2014 opening):	\$7.00	\$7.00	\$7.00	\$7.00
Average Round Trip Toll (in 2006 \$):	\$5.75	\$5.75	\$5.75	\$5.75
<i>\$3 Round Trip Toll During Construction Delivers \$120m Additional Funding</i>				

One possible strategy for a successful toll-financed plan is to toll the cross-lake trips on I-90

TOLLING BOTH I-90 & SR 520	30-Year Scenarios		40-Year Scenarios	
	Tolling After Completion (2014)		Tolling After Completion (2014)	
	Project Revenue Bonds	State MVF Backed Bonds	Project Revenue Bonds	State MVF Backed Bonds
Construction Funds Delivered	\$3,200 m	\$3,200 m	\$3,200 m	\$3,200 m
Remaining Funding Gap (\$000s):	\$0 m	\$0 m	\$0 m	\$0 m
Average Round Trip Toll (2014 opening):	\$9.90	\$8.60	\$8.50	\$6.90
Average Round Trip Toll (in 2006 \$):	\$8.13	\$7.06	\$6.98	\$5.66
<i>\$3 Round Trip Toll During Construction Reduces Opening Tolls to:</i>	<i>\$8.90</i>	<i>\$7.90</i>	<i>\$7.30</i>	<i>\$6.30</i>

Variable tolling optimizes traffic flows across the lake.
Actual toll charges will depend on time of day.



Illustrative Example of Variable Toll Rates Schedule

